

CS FOR HOUSE BILL NO. 88 (HES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 3/13/91
Referred: Finance

Sponsor(s): REPRESENTATIVES BARNES, Martin, Mackie, Gonzales, M.A.Miller, Sharp, G.Phillips, Zawacki, Taylor, MacLean, C.Davis, Finkelstein

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to forgiveness of scholarship and family education loans; and providing
2 for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 14.43.120 is amended by adding new subsections to read:

5 (s) A portion of a loan shall be forgiven by the state if, after being enrolled in the course
6 of study for which the loan was granted, the borrower is a student who is unable to complete the
7 school term as a result of serving on active duty as a member of the armed forces of the United
8 States. The portion of the loan that shall be forgiven by the state is equal to the amount
9 borrowed by the student for the school term in which the borrower's studies are terminated.

10 (t) Forgiveness under (s) of this section is subject to appropriation by the legislature.
11 Money obtained from the sale of bonds by the Student Loan Corporation under AS 14.42.220
12 may not be appropriated for the forgiveness of loans.

13 * **Sec. 2.** AS 14.43.740(a) is amended to read:

14 (a) The provisions of AS 14.43.100, 14.43.110, 14.43.115, 14.43.120(a) - (d), (i), (m),

- 1 and (r) - (t) [(r)], and 14.43.135 apply to a loan made under AS 14.43.710 - 14.43.790.
- 2 * Sec. 3. This Act applies to principal and interest due on a loan entered into on or after July 1, 1990.
- 3 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).